

DF

★ NOV 02 2005

**UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF NEW YORK**

LONG ISLAND OFFICE

JUDITH A. TUCKER, derivatively, on behalf  
of Reckson Associates Realty Corp.,  
Plaintiff,

v.

DONALD J. RECHLER, GREGG RECHLER,  
ROGER M. RECHLER, SCOTT RECHLER,  
MITCHELL RECHLER, HERVE A.  
KEVENIDES, JOHN V. N. KLEIN, RONALD  
H. MENAKER, LEWIS S. RANIERI,  
CONRAD D. STEPHENSON, PETER  
QUICK, WALTER GROSS and RECKSON  
OPERATING PARTNERSHIP, L.P.,  
Defendants,

- and -

RECKSON ASSOCIATES REALTY  
CORP.,  
Nominal Defendant.

CLINTON CHARTER TOWNSHIP POLICE  
AND FIRE RETIREMENT SYSTEM,  
derivatively, on behalf of Reckson Associates  
Realty Corp.,

Plaintiff,

v.

DONALD J. RECHLER, GREGG RECHLER,  
ROGER M. RECHLER, SCOTT RECHLER,  
MITCHELL RECHLER, HERVE A.  
KEVENIDES, JOHN V. N. KLEIN, RONALD  
H. MENAKER, LEWIS S. RANIERI,  
CONRAD D. STEPHENSON, PETER  
QUICK, WALTER GROSS and RECKSON  
OPERATING PARTNERSHIP, L.P.,  
Defendants,

- and -

RECKSON ASSOCIATES REALTY  
CORP.,  
Nominal Defendant.

Case No. 03-CV-4917 (TCP)

Judge Thomas C. Platt

**PROPOSED  
STIPULATION AND ORDER OF  
DISMISSAL WITH PREJUDICE**

**SHAREHOLDER DERIVATIVE  
ACTION**

**JURY TRIAL DEMANDED**

Case No. 03-CV-5008 (TCP)

Judge Thomas C. Platt

TEACHERS' RETIREMENT SYSTEM OF LOUISIANA, derivatively, on behalf of Reckson Associates Realty Corp.,

Plaintiff,

v.

DONALD J. RECHLER, GREGG RECHLER, ROGER M. RECHLER, SCOTT RECHLER, MITCHELL RECHLER, HERVE A. KEVENIDES, JOHN V. N. KLEIN, RONALD H. MENAKER, LEWIS S. RANIERI, CONRAD D. STEPHENSON, PETER QUICK, and RECKSON OPERATING PARTNERSHIP, L.P.,

Defendants,

- and -

RECKSON ASSOCIATES REALTY CORP.,  
Nominal Defendant.

Case No.03-CV-5178 (TCP)

Judge Thomas C. Platt

**PROPOSED STIPULATION AND ORDER  
OF DISMISSAL WITH PREJUDICE**

IT IS HEREBY STIPULATED AND AGREED by and among counsel for the parties that:

1. On September 10, 2003, nominal defendant, Reckson Associates Realty Corp. ("Reckson" or the "Company") announced a strategic plan that included: (a) the sale of 95 Industrial Properties (as defined in subparagraph 16(e) of the Stipulation of Settlement (the "Stipulation")) to members of the Rechler family, some of whom were executive officers and directors of the Company; (b) the resignation of Gregg Rechler, Roger Rechler, and Mitchell Rechler from executive management and director positions, and the resignation of Donald Rechler from executive management, but not as non-executive Chairman of the Board of Directors; and (c) various other corporate governance changes.

2. The first of nine shareholder derivative actions in response to Reckson's announcement of the sale of the Industrial Properties to the Rechler family, *Lowinger v. Rechler, et al.*, Index No. 03-014162, was filed in the Supreme Court of the State of New York, County of Nassau, on September 16, 2003 ("*Lowinger*"). Two additional suits, *Steiner v. Rechler, et al.*, Index No. 03-23545 ("*Steiner*"), and *Lighter v. Rechler, et al.*, Index No. 03-23593 ("*Lighter*"), were filed in the Supreme Court of the State of New York, County of Suffolk, on October 2, 2003, and October 3, 2003, respectively.

3. On September 26, 2003, the first of three consolidated shareholder derivative suits, *Tucker v. Rechler, et al.*, Index No. 03-CV-4917, was filed in the United States District Court for the Eastern District of New York. *Tucker* was followed by *Clinton Charter Township Police and Fire Ret. Sys. v. Rechler, et. al.*, Index No. 03-CV-5008, on October 1, 2003, and *Teachers' Ret. Sys. of Louisiana v. Rechler, et al.*, Index No. 03-CV-5178, on October 14, 2003. The First Amended and Consolidated Complaint in *Tucker, et. al. v. Rechler, et al.* (the "Federal Court Actions") was filed on October 31, 2003. That consolidated complaint was superseded by the Second Amended and Supplemented Consolidated Complaint filed on January 20, 2004, and Judge Thomas C. Platt signed a Stipulation and Order to Consolidate the New York Federal Court Actions on May 12, 2004.

4. On October 16, 2003, the first of three consolidated actions was filed in the Circuit Court for Baltimore City, Maryland (the "Circuit Court"), *Sekuk Global Enters. Profit Sharing Plan v. Reckson Assocs. Realty Corp., et al.*, Civil No. 24-C-03-007496, ("*Sekuk Global*"). *Sekuk Global* was followed by *Hoffman, et al. v. Rechler et al.*, Civil No. 24-C-03-007876, on October 27, 2003, and *Chirko v. Reckson Assocs.*

*Realty Corp., et al.*, Civil No. 24-C-03-008010, on October 30, 2003. Judge Evelyn Omega Cannon signed a Stipulation and Order of Consolidation on December 12, 2003, and the Consolidated Amended Complaint in *Sekuk Global, et. al. v. Rechler, et al.*, (the "Maryland Actions") was filed on January 20, 2004.

5. The complaints in *Lowinger, Steiner and Lighter* (the "New York State Court Actions"), the Federal Court Actions and the Maryland Actions all allege substantially the same facts and claims and purport, derivatively on behalf of Reckson, to challenge the sale of the Industrial Properties to the Rechler family.

6. On March 2, 2004, the defendants in the Maryland Actions filed a motion to dismiss the Consolidated Amended Complaint on the ground that the plaintiffs in those actions had failed to make a pre-suit demand on Reckson's Board of Directors or to allege facts showing that such a demand would have been futile. That motion was heard by the Circuit Court on May 13, 2004.

7. The defendants in the Federal Court Actions filed a motion to dismiss the Second Amended and Supplemented Consolidated Complaint on May 11, 2004, on the same ground.

8. On May 21, 2004, the date of the scheduled hearing on that motion, Judge Platt entered an Order in the Federal Court Actions directing the defendants to withdraw their motions to dismiss without prejudice to renew and extending the time for the defendants to respond to the Second Amended and Supplemented Consolidated Complaint until thirty days after the ruling on the motion to dismiss the Maryland Actions.

9. On May 25, 2004, the Circuit Court granted the defendants' motions to dismiss the Maryland Actions. Final judgment in the Maryland Actions was entered on June 8, 2004.

10. On June 30, 2004, the plaintiffs in the Maryland Actions filed a notice of appeal from that judgment to the Maryland Court of Special Appeals.

11. By Stipulations and Orders signed by Judge Platt on June 23, 2004, July 23, 2004, August 31, 2004, October 20, 2004, and December 21, 2004, the parties in the Federal Court Actions extended the time for the defendants in those actions to respond to the Second Amended and Supplemented Consolidated Complaint so that the parties could engage in settlement discussions.

12. On March 14, 2005, the parties in the New York State Actions, Maryland Actions, and the Federal Court Actions (the "Parties") entered into the Stipulation, a copy of which is annexed hereto as Exhibit A.

13. In accordance with the terms of the Stipulation, the Parties submitted the Stipulation to the Circuit Court in the Maryland Actions for approval.

14. By Stipulation and Order signed by Judge Platt on April 1, 2005, the parties in the Federal Court Actions once again extended the time for the defendants in those actions to respond to the Second Amended and Supplemented Consolidated Complaint while the Parties sought approval of the settlement in the Circuit Court.

15. The Circuit Court granted preliminary approval of the settlement by Order dated June 16, 2005, and set a hearing date of September 20, 2005, for final approval.

16. By Stipulation and Order signed by Magistrate Judge Orenstein on June 20, 2005, the parties in the Federal Court Actions once again extended the time for the

defendants in those actions to respond to the Second Amended and Supplemented Consolidated Complaint.

17. The Circuit Court granted final approval of the settlement by Order and Final Judgment dated September 20, 2005 (the "Maryland Order"), a copy of which is annexed hereto as Exhibit B. The Maryland Order was entered on September 27, 2005, and became final on October 27, 2005.

18. In accordance with the terms of the Stipulation, the parties to the Federal Court Actions agreed to seek dismissal of those actions with prejudice once the Maryland Order became final.

19. By Stipulation and Order entered on October 7, 2005, the parties in the Federal Court Actions agreed to further extend the time for the defendants in those actions to respond to the Second Amended and Supplemented Consolidated Complaint for 30 days, or until such time as the Federal Court Actions are dismissed.

20. All the conditions for dismissal having been met as of October 28, 2005, the parties hereto have agreed herein to stipulate to the dismissal of the Federal Court Actions with prejudice.

THIS MATTER having come before this Court, and the Court having considered the papers for good cause shown, it is on this 2<sup>nd</sup> day of November, 2005, ordered that: The consolidated actions, *Tucker v. Rechler, et al.*, Index No. 03-CV-4917, *Clinton Charter Township Police and Fire Ret. Sys. v. Rechler, et. al.*, Index No. 03-CV-5008, and *Teachers' Ret. Sys. of Louisiana v. Rechler, et al.*, Index No. 03-CV-5178 are hereby dismissed with prejudice.

Dated: October 31, 2005

**ZWERLING, SCHACHTER &  
ZWERLING, LLP**

By: Robert S. Schachter/AP  
Robert S. Schachter (RS7243)

Shaye J. Fuchs (SF9412)  
990 Stewart Avenue  
Suite 600  
Garden City, NY 11530  
Tel: (516) 832-9600

and

Anthony F. Prisco (AP9633)  
41 Madison Avenue  
New York, NY 10010  
Tel: (212) 223-3900

and

**CHIMICLES & TIKELLIS LLP**  
Nicholas E. Chimicles  
One Haverford Centre  
361 West Lancaster Avenue  
Haverford, PA 19041  
Tel: (610) 642-8500

**BERNSTEIN LITOWITZ BERGER  
& GROSSMANN, LLP**

By: Daniel L. Berger/AP  
Daniel L. Berger (DB7748)

1285 Avenue of the Americas  
New York, NY 10019  
Tel: (212) 554-1400

Attorneys for Plaintiffs

**FRIED, FRANK, HARRIS, SHRIVER  
& JACOBSON**

By: Matthew Gluck/ap  
Matthew Gluck (MG4184)

One New York Plaza  
New York, NY 10004  
(212) 859-8000

Attorneys for Defendants Donald J. Rechler,  
Gregg Rechler, Roger M. Rechler, Scott  
Rechler and Mitchell Rechler

**WACHTELL, LIPTON, ROSEN &  
KATZ**

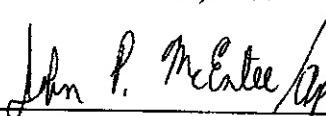
By: Robert B. Mazur/ap  
Robert B. Mazur (RM6084)

51 West 52nd Street  
New York, NY 10019  
(212) 403-1000

Attorneys for Defendants Herve A.  
Kevenides, John V. N. Klein, Ronald H.  
Menaker, Lewis S. Ranieri, Conrad D.  
Stephenson, Peter Quick, Walter Gross and  
Reckson Operating Partnership, L.P.

**FARRELL FRITZ, P.C.**

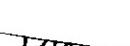
By:

  
John P. McEntee (JM 4450)

EAB Plaza  
Uniondale, NY 11556  
(516) 227-0700

Attorneys for Nominal Defendant Reckson  
Associates Realty Corp.

SO ORDERED.

  
Hon. Thomas C. Platt, U.S.D.J.

  
Date 